

<p>SHADOW EXECUTIVE</p>
<p>20 JANUARY 2009</p>

SUBJECT	<p>MEMBERS' ALLOWANCES SCHEME 2009/10</p> <p>(To consider the financial implications of the recommendations of the Independent Remuneration Panel with regard to a scheme of members' allowances for Central Bedfordshire Council for the year commencing 1 April 2009. Approval of a Members' Allowances Scheme is a matter for full Council on 26 February 2009.)</p>
REPORT OF	<p>Director of Corporate Resources</p> <p><i>Contact Officer: Rob Mills Tel. 0845 849 6274</i></p>

IMPLICATIONS

SUSTAINABILITY	None
FINANCIAL	<p>The Panel's recommendations, excluding (a) those co-optees' allowances mentioned in paragraphs 15 and 16 of this report, and (b) any employer contributions that may be required to the Local Government Superannuation Scheme, are estimated to cost £1,037,724 in total.</p> <p>If it is agreed that all councillors should have access to the Local Government Superannuation Scheme, additional provision will be required for employer's contributions. A provisional sum of £68,657 has been budgeted for, assuming 33% take-up based on current County Council experience.</p> <p>Provision for these costs has been made in the overall budget for members' costs.</p> <p>Further information regarding the financial implications is set out in paragraphs 9 -14</p>

LEGAL	The Bedfordshire (Structural Changes) Order 2008 requires the shadow authority to formulate proposals for the scheme of members' allowances to be adopted by Central Bedfordshire Council. The recommendations of the Independent Remuneration Panel appended to this report accord with the provisions of The Local Authorities (Members' Allowances) (England) Regulations 2003 which govern such schemes.
PERSONNEL/EQUAL OPPORTUNITIES	None
COMMUNITY DEV/SAFETY	None
TRADE UNIONS	None
HUMAN RIGHTS	None
KEY ISSUE	Yes
BUDGET/POLICY FRAMEWORK	The decision upon the adoption of a Scheme of Members' Allowances is a matter for determination by the full Council.

OTHER DOCUMENTS RELEVANT TO REPORT
None

<p>RECOMMENDATIONS:</p> <p>That the Shadow Executive</p> <p>(a) considers the budgetary implications of the recommendations of the Independent Remuneration Panel in respect of a Members' Allowances Scheme for the year commencing 1 April 2009, at an estimated total cost of £1,106,381; and</p> <p>(b) endorses the conclusion of the Panel that all Central Bedfordshire councillors should be given access to the Local Government Pension Scheme and recommends the Council accordingly at an estimated cost of £68,657 (included in the estimated total cost of £1,106,381).</p> <p><i>Reason for Recommendation: To enable relevant financial provision to be included in the draft budget estimates for 2009/10 for Central Bedfordshire.</i></p>
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Background

1. Article 18(5) of The Bedfordshire (Structural Changes) Order 2008 places a duty on the Shadow Council to formulate proposals for the scheme of members' allowances to be adopted by Central Bedfordshire Council. This must be done in accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003 (the 2003 Regulations).
2. In addition to a basic allowance for all members of an authority, the 2003 Regulations enable the inclusion within a scheme of the following allowances:
 - (a) special responsibility allowance (SRA) to such members of the authority as have significant special responsibilities;
 - (b) dependants' carers' allowance in respect of expenses incurred in arranging for the care of their children or dependants whilst attending meetings and other duties specified in the 2003 Regulations;
 - (c) travelling and subsistence allowance; and
 - (d) co-optees' allowance.
3. A scheme must also set out which members of the authority are to be entitled to pensions under the Local Government Superannuation Scheme; and whether the basic allowance or the special responsibility allowance, or both, may be treated as amounts in respect of which such pensions are payable.
4. The Regulations place a duty upon the Council to establish an Independent Remuneration Panel which is required to report with recommendations on the levels of allowances payable, the means by which those levels may be adjusted, whether any allowances may be backdated, and which members may have access to the Local Government Superannuation Scheme. The Council must have regard to the Panel's recommendations before making or amending a scheme of members' allowances.

The Independent Remuneration Panel

5. At the first meeting of the Shadow Council in April 2008 the Interim Chief Executive was authorised to appoint two members from each of the Independent Remuneration Panels of Bedfordshire County Council, Mid Bedfordshire District Council and South Bedfordshire District Council for the purpose of making recommendations to the Shadow Council (i) on a Members' Allowances' Scheme for the year commencing 1 April 2008, and (ii) on a Scheme for the year commencing 1 April 2009.
6. The Panel's report and recommendations in respect of the year commencing 1 April 2008 were submitted to the Shadow Council on 8 July 2008, where they were adopted with minor amendments.
7. The Panel met again on 26 September and 10 October 2009 to take written and verbal evidence from members on, and to consider a scheme of members' allowances for the year commencing 1 April 2009. This includes both the period between 1 April and 8 June 2009 (on which date the newly elected councillors will take office), during which the shadow authority will continue in being with 124 members, and the period following the election of the new 66-member authority.
8. The Panel has now issued its final report and recommendations, including a draft Scheme for the shadow authority to consider. A summary of the allowances recommended by the Panel is attached at Appendix A. The Panel's covering report giving its rationale for making its recommendations is attached at Appendix B. The draft Scheme itself (including fuller details of the recommended approved duties, travel and subsistence allowances and dependants' carers' allowance) will be submitted to the Shadow Council on 26 February 2009 for consideration along with the Panel's report.

Financial Implications of the Panel's Recommendations

9. The costs of adopting the Panel's recommendations in full in 2009/10 are:

	£
(a) Basic Allowance	653,400
(b) Special Responsibility Allowances	266,557
(c) NI Employer's Contributions	65,142
(d) Dependants' carers' allowance	2,000
(e) Travel and subsistence allowances	33,000
(f) Co-optees' allowance (minimum)	5,250
(g) Civic allowances	12,375
SUB-TOTAL	<u>1,037,724</u>
(h) Superannuation (estimated employer's contribution, assuming 33% take-up)	68,657
TOTAL	<u>1,106,381</u>

10. The financial implications of the panel's recommendations, if implemented, must be considered both in terms of value for money and in the light of the overall budget position, currently being formulated.
11. Based upon the current average allowance per member across all three authorities, an indicative budget of £825,000 would emerge for a new Council with 66 elected members. However, the range and scale of functions within the two district councils is significantly smaller than those of the County and this distorts the average.
12. A similar comparison with Bedfordshire County Council only, based on their average allowance per member, would yield an indicative budget of £1,350,000. Although only 60% the size of the County Council, Unitary Authority members would have a range of functions considerably wider than those of the current County Council including housing.
13. The proposed budget of £1,037,724 represents broadly a mid point proposal and appears to represent a justifiable position in value for money terms based on the range and scale of member responsibilities.
14. Members will be aware of the efforts made to ensure that Central Bedfordshire's first budget allocates funding across all services (including members) in a fair and equitable way that maintains service provision across all functions. Members need to ensure that in agreeing to the allowance levels indicated by the Independent Remuneration Panel, they are satisfied that they are affordable and represent the best use of resources.

Co-opted Members' Allowances

15. The provision of £5,250 for co-optees' allowance at this stage covers only the basic minimum requirements of:
 - (a) four meetings a year of the Standards Committees (allowances for five statutory independent members and five town and parish members); and
 - (b) six meetings a year of the Children, Families and Learning Overview and Scrutiny Committee (allowances for three parent governors and two representatives of church schools who must be appointed to the overview and scrutiny committee that deals with education functions).

16. Further costs in the region of £5,000 a year could arise from:
- (a) any meetings of the Assessment, Review and Hearings Sub-Committees which the Standards Committee may be required to convene under the Members' Code of Conduct local assessment regime, whenever complaints are made against either an elected member of Central Bedfordshire Council or a member of a parish or town council within the Central Bedfordshire area; and
 - (b) additional meetings of the Children, Families and Learning Overview and Scrutiny Committee beyond six a year; while the frequency of meetings has yet to be decided by the Shadow Council in February, the Constitution and Governance Member Working Group has recommended that each overview and scrutiny committee meets at the same frequency as the Executive.
17. The scheme as recommended by the Panel provides for the payment of a co-opted member's allowance to any person appointed to a committee or panel of Central Bedfordshire Council. While paragraph 9.1 of the Panel's covering report includes mention of independent members of both schools admission and exclusion appeals and adoption, fostering and permanence panels, these are not co-opted members serving on Council committees and will be subject to different payment arrangements.

Access to the Local Government Superannuation Scheme

18. The Pensions Regulations 2003 amended the Local Government Pension Scheme Regulations 1997 to enable members of local authorities to be eligible to belong to the pension scheme, acting on the recommendations of its Independent Remuneration Panel. In essence councillors who joined the scheme would be treated as employees and benefits would be payable according to their period of membership of the scheme. The councillors' "pay" in any year may include basic allowance and any special responsibility allowance. The Panel's role is to recommend which members in the local authority are to be entitled to pensions, and also whether basic allowance, or special responsibility allowance, or both, should be treated as amounts in respect of which pensions are to be payable. An eligible councillor would have to positively elect to join the pension scheme. The retirement age for a councillor under the scheme is 70.

19. Any member is eligible to participate in the scheme if the local authority so decides and such members have been recommended by the Independent Remuneration Panel. The government, in introducing the 2003 regulations, indicated that the provisions for pensions take into account the commitment of local councillors, and their contribution to public life. Members of local authorities may have lower personal or occupational pension provision than they might otherwise have had, due to missing out on full-time employment, promotion or other opportunities on account of their public duties. The pensions regulations sought to address any disincentive from serving in local politics.
20. The entitlement for councillors to join the local government pension scheme varies in the three legacy authorities. Bedfordshire County Council allows its councillors to join the pension scheme and 17 out of 52 are currently in membership. Six former councillors have deferred benefits. There is no similar provision for councillors who serve on either Mid Bedfordshire or South Bedfordshire District Council.
21. If it is agreed that all Central Bedfordshire councillors should have access to the Local Government Superannuation Scheme, provision will be required for employer's contributions. The cost of doing so will depend on take-up, which is clearly unpredictable in advance. A provisional sum of £68,657 has been included in the draft budget at this stage, assuming 33% take-up based on current County Council experience.

Background Papers: None

Appendix A

**Members' Allowances Scheme 2009/10
Summary of Recommendations of the Independent Remuneration Panel**

		£ p.a. (all pro rata to period of holding office)
Basic Allowance: (all councillors)		
	1 April 2009 - 7 June 2009 (124 councillors)	5,269
	8 June 2009 – 31 March 2010 (66 councillors)	9,900
Special Responsibility Allowances: (max. one per member except for (a) Deputy Leader if appointed to another position and (b) Licensing/ Regulation Committee Chairman if the same person)		
	Leader	29,700
	Deputy Leader	4,455
	Portfolio Holders	17,820
	Overview & Scrutiny Committee Chairman	11,880
	Development Mgmt. Committee Chairman	11,880
	Audit Committee Chairman	8,910
	General Purposes Committee Chairman	4,455
	Standards Cttee Chairman (independent)	4,455
	Licensing Committee Chairman	2,227.50
	Regulation Committee Chairman	2,227.50
	Luton & S. Beds Joint Committee Chairman (while a CBC member)	11,880
	Lead Member of TTF (if continuing after 1/4/09)	3,655
	Member of TTF (if continuing after 1/4/09)	1,828
	Minority Group Leaders	148 for each member of the group (minimum of 7 members to qualify)
Civic Allowances:		
	Chairman of the Council	9,900
	Vice-Chairman of the Council	2,475
Travel Allowances:		
	Car or motorcycle (all engine sizes)	46.9p per mile
	Addition for one Member passenger	12p per mile
	Addition for each further Member passenger	6p per mile
	Pedal cycle	20p per mile
	Public transport	Actual cost
	Taxi (only in cases of urgency or where no public transport is reasonably available)	Actual cost

Subsistence Allowances:		
	Breakfast	6.28
	Lunch	8.65
	Tea	3.42
	Dinner	10.72
Dependants' Carers' Allowance:		
	Child care & non-specialist care	£5.73 per hour (national minimum wage)
	Specialist care	Up to £17.19 per hour
Co-opted Members' Allowance:		
	Up to and including 4 hours' duration	£75.00 per meeting
	Over 4 hours' duration	£150.00 per meeting
Access to Local Government Pension Scheme:		
	Based on basic allowance	recommended
	Based on special responsibility allowances	recommended

**Report and Recommendations of the
Independent Remuneration Panel –
Scheme of Members' Allowance for the Year
Commencing 1 April 2009**

1 Introduction

1.1 At the first meeting of Central Bedfordshire Shadow Council, held on 10 April 2008, authority was given to establishing an Independent Remuneration Panel for the purpose of making recommendations as to a Scheme of Members' Allowances for the Shadow Council for the year commencing 1 April 2008 and for Central Bedfordshire Council for the year commencing 1 April 2009.

1.2 The three constituent authorities each nominated two Members of their own Independent Remuneration Panels to serve on the Central Bedfordshire Panel.

1.3 The persons appointed to the Central Bedfordshire Independent Remuneration Panel were:-

Person Appointed	Nominating Authority
Mr C Bell	Mid Bedfordshire District Council
Dr R Bender	South Bedfordshire District Council
Mrs K Johnson	Bedfordshire County Council
Mr G Lambert	Bedfordshire County Council
Mrs P Mathieson	South Bedfordshire District Council
Mr A Painter M.B.E.	Mid Bedfordshire District Council

1.4 Before the panel met on 4 June 2008 to consider recommendations for the period of the Shadow Council, for the year commencing 1 April 2008, the under-mentioned documents were provided to all members of the Panel with a request that they be retained for use in connection with consideration of the Scheme of Members' Allowances for the year commencing 1 April 2008 and for the year commencing 1 April 2009.

(a) A summary of the Statutory Guidance issued by the Secretary of State concerning The Local Authorities (Members' Allowances) (England) Regulations 2003.

(b) A suggested Members' Allowances Scheme prepared to indicate the provisions that may be included within a Scheme of Allowances, such as:-

- Renunciation.
- Part-year entitlements.
- Suspension/Repayment of Allowances.
- Claims and Payments.
- Approved Duties (for which Travelling and Subsistence allowances would be payable).

The suggested Scheme also included the following allowances that may be paid in accordance with the Regulations, although monetary values were not included:-

- Basic Allowance – payable to all Members of the authority.
- Special Responsibility Allowance – payable to those Members holding a position of significant responsibility.
- Travelling and Subsistence Allowances
- Dependants' Carers' Allowances
- Co-opted Members' Allowances

(c) A Summary of the main points of the Schemes of Members' Allowances for the year commencing 1 April 2008, as adopted by Bedfordshire County Council, Mid Bedfordshire District Council and South Bedfordshire District Council.

(d) Information issued by the Local Government Association concerning the results of a survey conducted in the winter of 2006, setting out the average level of each type of allowance paid by authorities, both on a regional level and according to local authority type.

(e) A copy of the current Members' Allowances Scheme of Bedfordshire County Council.

(f) A copy of the current Members' Allowances Scheme of Mid Bedfordshire District Council.

(g) A copy of the current Members' Allowances Scheme of South Bedfordshire District Council.

(h) Background notes on the Scheme of Members' Allowances adopted by Bedfordshire County Council.

- (i) Background notes on the Scheme of Members' Allowances adopted by Mid Bedfordshire District Council, including details of the formula used by the Panel to calculate the Basic Allowance.
- (j) Background notes on the Scheme of Members' Allowances adopted by South Bedfordshire District Council, including details of the formula used by the Panel to calculate the Basic Allowance.
- (k) Details of the level of allowances paid by all other unitary authorities within the Family Group into which the Audit Commission have placed Central Bedfordshire.

2 The Report of the Panel

- 2.1 This report sets out the recommendations of the Independent Remuneration Panel concerning the Members' Allowances Scheme for Central Bedfordshire Council for the year commencing 1 April 2009.
- 2.2 The Panel were aware that Central Bedfordshire Council would come into being on 1 April 2009, being the day on which Mid Bedfordshire and South Bedfordshire District Councils together with Bedfordshire County Council would be wound up and dissolved.
- 2.3 The Panel noted that the 124 Councillors of the predecessor authorities who represented the electoral areas that would be within Central Bedfordshire would continue to be Members of the Shadow Council until the fourth day after the local government election day in 2009. By the time the second meeting of the Panel was held on 10 October 2008, it was known that the Secretary of State had placed an Order before Parliament to postpone the ordinary local government elections due to be held on 7 May 2009 and for them to be combined with the European Parliamentary elections on 4 June. As a result it was known that the membership of the Council would not reduce to 66 Members until the ordinary elections had taken place on 4 June.

2.4 The Panel were aware that the Scheme under consideration would commence, in accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003 on 1 April 2009, but that the committee structure of the new authority may not be fully established until the first annual meeting of the Council after the elections held in June 2009. The Panel were content that this was not a material consideration for their deliberations as the Scheme of Members' Allowances would provide for the payment of allowances on a part-year basis, with the payment being made pro rata to the number of days for which the office or position was held.

3 The Panel Meeting held 26 September 2008.

The following Panel Members and officers were in attendance at the meeting:

Mr C Bell
Mrs K Johnson
Mr G Lambert
Mrs P Mathieson
Mr A Painter M.B.E.
Stephen Cooke Electoral/Members' Services Manager, Mid
 Bedfordshire District Council
Rob Mills Committee and Scrutiny Manager, South
 Bedfordshire District Council

An apology for absence was received from Dr R Bender.

Mr C Bell was appointed Chairman for the ensuing year.

4 Additional Information provided to the Panel

4.1 Prior to the meeting all Members of the Shadow Council were invited to make a written submission to the Panel concerning the Scheme of Members' Allowances for the year commencing 1 April 2009, and, if they so wished, to attend the meeting to explain their submission. Those Councillors who were Members of both a District Council and the County Council were specifically requested to give their estimate of the likely time commitment for Members of Central Bedfordshire Council. Councillors with dual membership were considered better placed to provide an estimate as to the likely time commitment of a Member of the new Unitary Authority. The Leaders of Political Groups represented on the Shadow Council were also invited to make any submission and/or make a personal presentation to the Panel.

- 4.2 Written submissions were received from three Members who served on a District Council only and three Members who represented both a District Council and the County Council. A submission was also received from the Leader of the Labour Group. Copies of all submissions received were provided to the Panel.
- 4.3 In addition the Panel were provided with the following information:-
- (a) The Draft Role Descriptions that were under consideration by the Member Development Champions. The Role descriptions included the role and responsibilities of Ward Councillors together with those posts with special responsibilities.
 - (b) An update to the Members' Allowances paid by the other Unitary Authorities within the Audit Commission's Family Group. The figures had been updated to show increases for the year 2008/2009 as not all authorities had approved increases to their Scheme at the time that the comparison document was prepared for the Panel when they met to consider their recommendations for a Scheme of Allowances for the Shadow Council for the year commencing 1 April 2008.
 - (c) Details of the Luton and South Bedfordshire Joint Committee and the special responsibility allowance that had been paid to its Chairman by South Bedfordshire District Council during the year commencing 1 April 2008 and previously, when the Chairman was a representative of South Bedfordshire District Council, which arrangement was likely to continue for some time after 1 April 2009.
 - (d) Details of the Civic Allowances paid by the three existing Authorities to their Chairman and Vice-Chairman to meet the expenses of those offices. Whilst this allowance was not covered by The Local Authorities (Members' Allowances) (England) Regulations 2003 and did not form a part of the Scheme of Members Allowances, the Panel were asked to comment upon the level of these allowances as from 1 April 2009.
- 4.4 The Panel then heard presentations from the Leader of the Council and the Leader of the Labour Group concerning the Scheme of Allowances for the period commencing 1 April 2009.

- 4.5 The final presentation to the Panel was made by Councillor Male, on behalf of the Conservative Group, who tabled a detailed document proposing that the Scheme of Allowances be linked to the remuneration package of the Chief Executive. The submission contained a detailed proposal as to how the salary package of the Chief Executive may be used to provide a figure to calculate the level of the basic allowance paid to all Members and also for the special responsibility allowance paid to the Leader of the Council. The submission also provided details as to how the special responsibility allowance of the Leader of the Council may be used to set the level of the allowance for all other positions for which a special responsibility allowance is recommended.
- 4.6 Having heard the presentations and considered the written submissions of Members, the Panel felt that it was necessary to consider a number of matters of general principle before considering recommendations as to the level of any of the allowances within the Scheme.

5 The Scheme in General

- 5.1 The Panel considered how the level of the basic allowance may be calculated and discounted the proposal to set allowances as a proportion of the remuneration package of the Chief Executive. Members of the Panel were unaware of any other salary or scale of allowances that was linked to the payment of a chief executive. It was considered that such an approach may appear arbitrary and lack transparency. For that reason the Panel decided to adopt a formula by which the basic allowance may be calculated. This approach was considered to be both open and transparent. It was further decided that the formula should take account of the likely time commitment of all Members and the addition of a monetary value would then produce a figure for the allowance.
- 5.2 The Panel were conscious of the Statutory Guidance issued by the Secretary of State which emphasised that it was important that some element of the work of Members should continue to be voluntary and that some hours are not remunerated. The guidance stated “this must be balanced against the need to ensure that financial loss is not suffered by elected members, and further, that despite the input required, people are encouraged to come forward as elected members and their service to the community is retained”. After careful consideration the Panel felt that a reduction of one third, to reflect the voluntary nature of the work of Members, would be appropriate.

- 5.3 The Panel also felt that it would be appropriate to use the Local Government Association's Daily Rate figure to provide the monetary value for the calculation formula. The figure had been set by the Local Government Association to compensate members attending day-long meetings and had been based upon the median annual increase in average pay rates for full-time employees, as measured by the Annual Survey of Hours and Earnings. The daily rate figure for 2008/2009 was £142.77.
- 5.4 The Panel concluded that the formula used to calculate the basic allowance should be; the average number of hours committed by Members divided by 7.5 to reflect the working day, multiplied by 52 (weeks per year), multiplied by the Local Government Association daily rate and reduced by one third to reflect the voluntary nature of the duties. Given the limited time remaining at this stage of the meeting, the Chairman undertook to produce, from the evidence provided in Members' submissions and presentations, the average number of hours likely to be required of all Members of the Unitary Authority and report on this to the next meeting of the Panel.
- 5.5 The Panel then considered the question of the reduction in the number of Members following the local government elections in 2009. It was considered that it would be appropriate to calculate the basic allowance on the basis of the 66 Members that would be elected on 4 June 2009. The Panel felt that the monthly cost of the basic allowance for the 66 newly elected Members should be used as the monthly cost for payment of basic allowance for the period in which there were 124 Members. The total monthly cost being divided by 124. The Panel considered that this approach was reasonable as there would be many more Members to carry out the representational role prior to the elections being held and the monthly cost of the basic allowance would be the same both before and after the local government elections.
- 5.6 For Special Responsibility Allowances the Panel felt that there should be no more than one such allowance paid to any Member. However due to the possibility of the Deputy Leader of the Council being a Portfolio Holder, the Panel felt that there should be exceptions to this general principle. The exceptions agreed by the Panel are set out in paragraph 14.4(i) to this report.

5.7 The Panel noted that information had not been received from all authorities within the Audit Commission's Family Group concerning access for Members to the Local Government Pension Scheme. It was therefore requested that further information to be obtained on this subject for consideration at its next meeting.

6 Travel and Subsistence Allowances

6.1 The Panel recalled that in making recommendations to the Shadow Council with regard to Travelling and Subsistence Allowances for the year commencing 1 April 2008, it had been agreed to set rates in accordance with those paid to local government staff, as shown below:-

Mileage Allowances

Car or Motorcycle Engine Size	Per Mile
Not exceeding 999 cc	42.9p
1000 to 1199 cc inclusive	46.9p
Over 1200 cc and over	58.7p

In addition an additional allowance of 3p per mile where another Member, to whom a travelling allowance would be payable, is conveyed and an additional 2p for a second and each subsequent Member.

Subsistence Allowances

Breakfast allowance	£6.28
Lunch allowance	£8.65
Tea Allowance	£3.42
Dinner allowance	£10.72

Claims for subsistence allowances are regulated as to the number of hours away from home and time of the day, as detailed within Schedule 3 to the Scheme of Members' Allowances.

- 6.2 The Panel felt it appropriate that allowances for Members should be linked to the rates paid to staff as fixed nationally by the National Joint Council for Local Government Staff. It was noted however that the Scheme of Members' Allowances adopted by Bedfordshire County Council fixed the payment of all mileage allowances at the figure specified for vehicles with an engine size up to 1199 cc. The Panel felt that for environmental reasons the Council should be recommended to adopt this approach to the payment of Members' mileage allowances. The Panel recommended that mileage rates should be as shown in sub-paragraph (a) below but that as an incentive to car sharing, the Panel also recommended that allowances for conveying other Members on approved duties should be significantly increased to those shown in sub-paragraph (b) below:-

Mileage Allowances

- (a) Irrespective of car or motorcycle engine size 46.9p per mile
- (b) An additional allowance of 12p per mile where another Member, to whom a travelling allowance would be payable, is conveyed and an additional 6p for a second and each subsequent Member.

7 Approved Duties

- 7.1 The Panel noted that Schedule 2 to the Members' Allowances Scheme for the year commencing 1 April 2008, listed the duties for which Members may claim travelling and subsistence allowances. The inclusion of the information within the Schedule had been to take account of the exceptional circumstances that existed as a result of the creation of the Shadow Council and had excluded reference to the appointment of Members to serve on outside bodies. The Panel also noted that Transitional Task Forces had been included within the Schedule for the period of the Shadow Council, but that Task Forces and similar bodies should be included within Schedule 2 for the year commencing 1 April 2009, in case such bodies were established by the new Authority.
- 7.2 As a result it was recommended that the list of approved duties within Schedule 2 to the Scheme of Members' Allowances be amended for the year commencing 1 April 2009 as follows:
- (a) That all references to the word "Shadow" be removed from the Scheme and that the word "Transitional" be omitted before the words "Task Forces".

- (b) That the list of approved duties include a provision to enable the payment of both travel and subsistence allowances incurred in connection with attendance at all outside bodies where the Member is attending as the Council's duly appointed representative (whether appointed for a fixed term or authorised on an ad hoc basis), subject to no such allowances being claimed by the Member from the outside body concerned.

8 Dependants' Carers' Allowance

8.1 The Panel noted that the Shadow Council when considering the Scheme of Allowances for the year commencing 1 April 2008, amended the recommendation made by the Panel in relation to Dependants' Carers' Allowances so that the maximum hourly allowance for care of a non-specialist nature, be linked to the national minimum wage figure, being £5.52 at 1 April 2008, rising to £5.73 as from 1 October 2008.

8.2 As there was no evidence to suggest that the provisions contained within the Scheme of Allowances for the year commencing 1 April 2008, were inappropriate the Panel recommended the following:-

- (a) that where care is required for children or is of a non-specialist nature for dependant relatives; the maximum hourly payment be at the rate set and from time to time amended by the Department for Business Enterprise and Regulatory Reform as the National Minimum Wage for workers aged 22 and over, being the sum of £5.73 per hour as from 1 October 2008; and,
- (b) that where specialist care services are required, and the Director of Corporate Resources is satisfied that such care is necessary, the maximum hourly rate be up to three times the rate for non-specialist care (£17.19 per hour as from 1 October 2008).

9 Co-opted Members Allowance

9.1 The Panel noted that Co-opted Members would be required to serve on the following bodies:-

- (a) Standards Committee.
- (b) The Overview and Scrutiny Committee dealing with education matters, including representatives of the Church and Parent Governors.
- (c) School Appeal and Exclusion Panels.

(d) Adoption, Fostering, and Permanence Panels.

9.2 For the period of the Shadow Authority the only Co-opted Members were those appointed to the Standards Committee for whom an allowance of £120 per meeting or training event had been recommended and duly approved and adopted by the Shadow Council.

9.3 Given the increase in the number of Co-opted Members and the likely differences in time commitment depending on the body concerned, the Panel recommended the adoption of a more flexible approach to the payment of the allowance, to take into account the possible differences in the number and duration of meetings. The Panel noted for example that School Appeal and Exclusion Panels often met for a full day to consider a number of appeals.

9.4 For this reason the Panel felt that the allowance for Co-opted Members should be paid according to attendance and also that the rate paid should depend upon the duration of the meeting, as shown below:-

- | | |
|---|------|
| (a) For a meeting of up to 4 hours duration | £75 |
| (b) For a meeting lasting for more than 4 hours | £150 |

10 Adjournment of the Meeting

10.1 At this time the meeting was adjourned until the 10 October, a date that had already been set in case the Panel was unable to complete its deliberations at a single meeting.

11 The Panel Meeting held 10 October 2008.

The following Panel Members and officers were in attendance at the meeting:

Mr C Bell (Chairman)

Mrs K Johnson

Mr G Lambert

Mrs P Mathieson

Mr A Painter M.B.E.

Stephen Cooke Electoral/Members' Services Manager, Mid
 Bedfordshire District Council

Rob Mills Committee and Scrutiny Manager, South
 Bedfordshire District Council

An apology for absence was received from Dr R Bender.

12 Additional Information provided to the Panel

12.1 The Panel was informed that the Secretary of State had placed before Parliament an Order to combine the local government elections due to be held on 7 May with the European Parliamentary elections due to be held in June 2009. The first election of Councillors to Central Bedfordshire Council would therefore not take place until 4 June 2009, with those elected taking office on 8 June.

12.2 A resume of the decisions taken at the meeting of the Panel held on 26 September was circulated and included additional information, in accordance with the request of the Panel, relating to access to the Local Government Pension Scheme for those Councillors who were Members of authorities within the Audit Commission's Family Group that Central Bedfordshire will join.

13 Basic Allowance

13.1 The Chairman reported that he had collated the information relating to time commitment provided by Members to the meeting of the Panel held on 26 September. Following minor changes, the figures set out in the table below were agreed:

Activity	Weekly	Monthly	Quarterly
Attend Full Council Meeting (inc. travel time)			4
Prepare for Council Meeting			2
Group Meeting			5
Attend Committee, Sub-Committee, Panel, etc. Meetings (inc. travel time)		8	
Prepare for Committee, Sub-Committee, Panel, etc. Meetings		4	
Constituency Surgeries			3
Constituency Casework (includes e-mails, telephone calls, etc with residents & ward/parish organisations)	7.5		
Reading agendas, minutes, reports & other papers	2.5		
Other Bodies (e.g. school governor)		6	
Total Hours	10	18	14
	x52	x12	x4
Total Hours Annually	520	216	56

Total Hours (520 + 216 + 56) =
792

Weekly Average (792 / 52) 15.2

- 13.2 The Panel therefore agreed that the average time figure to be added to the formula constructed at the adjourned meeting should be 15 hours per week which would provide a basic allowance of £9,900, calculated as shown below:

Average hours = 15
Divide by hours in average working day =7.5
Multiply by 52 weeks
Multiply by Local government Association Daily Rate £142.77
Less one third to reflect voluntary nature of the duties

- 13.3 The Panel then compared the figure produced by the formula against the average basic allowance paid by all other members of the Audit Commission’s Family Group. It was noted that the figure of £9,900 was greater than the Family Group average figure of £8,054. The highest basic allowance in the Group being £11,976 and the lowest being £5,980. It was also noted that the Family Group figures were for the year commencing 1 April 2008 and would be likely to increase, in line with the rate of inflation, for the year commencing 1 April 2009.

- 13.4 The Panel then compared the figure produced by the formula with the basic allowances paid in 2008/2009 by the three constituent authorities, details of which are shown below:

Authority	Basic Allowance – 2008/2009
Bedfordshire County	£9,385
Mid Bedfordshire District	£6,450
South Bedfordshire District	£3,838

- 13.5 It was noted that the figure of £9,900 was greater than the basic allowance paid by Bedfordshire County Council for the current financial year which the Panel considered to be appropriate given the additional services for which the Unitary Authority would be responsible. The Panel also took into consideration that the electoral arrangements for the unitary authority provided at least two councillors per ward whereas the County Council’s electoral divisions were in the main represented by a single councillor.

- 13.6 Finally for the purpose of comparability the Panel considered the allowances paid to Members by the Bedfordshire Police Authority and the Bedfordshire and Luton Combined Fire Authority which were as set out in the table below.

Authority	Basic Allowance	Special Responsibility Allowances
Bedfordshire Police	£8,487	Chairman £16,974
Bedfordshire and Luton Combined Fire	£2,856	Chairman £14,277

- 13.7 The Panel noted particularly the level of the basic allowance paid by the Police and Fire Authorities and given the much wider role of a unitary councillor in comparison, felt that these figures supported the level of the basic allowance that had been calculated in respect of Central Bedfordshire by the formula adopted.

- 13.8 The Panel therefore recommended that the basic allowance paid to all Members for the period commencing on the fourth day after the local government election day on 4 June 2009, be £9,900 per annum, paid pro rata to the number of days served. The Panel also recommended that for the period from 1 April 2009 until the fourth day after the election day, based on the principle agreed at paragraph 5.5 above, each Member be paid the sum of £5,269 per annum, pro rata to the number of days served.

14 Special Responsibility Allowances

- 14.1 The Panel noted the criteria within the statutory guidance concerning the payment of special responsibility allowances which stated, that a local authority may make provision within its scheme for the payment of such allowances to those councillors who have significant responsibilities. It was also noted that where one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group.

- 14.2 The Panel recalled that when considering the payment of special responsibility allowances for the period of the Shadow Council, the figure set for the Deputy Leader of the Council, reflected the exceptional circumstances that existed during the transition period, together with the unusually high number of Members. Whilst the Deputy Leader was not at that time associated with a portfolio, it was felt that the position would be highly influential in the creation of Central Bedfordshire Council and the special responsibility allowance, of 75% of the Leader's allowance, recommended by the Panel reflected this.
- 14.3 The Panel also recalled that in making its recommendations for all posts considered to have significant responsibilities, it was understood that exceptional circumstances existed in creating a new authority within a one year period and for that reason the Panel had included within its report a caution that the recommendations for special responsibility allowances for the year of transition could not be taken as a guide or precedent as to the level of allowances that may be recommended for the year commencing 1 April 2009.
- 14.4 The Panel then referred to the Draft Role Descriptions that were under consideration by the Member Development Champions and gave consideration as to the posts for which the payment of a special responsibility allowance would be appropriate. The table below sets out the posts recommended by the Panel for the payment of this allowance.
- (a) Leader of the Council
 - (b) Deputy Leader of the Council
 - (c) Portfolio Holders
 - (d) Overview and Scrutiny Committee Chairmen
 - (e) Development Control Committee Chairman/Chairmen
 - (f) Audit Committee Chairman
 - (g) General Purposes Committee Chairman
 - (h) Standards Committee Chairman
 - (i) Licensing Committee Chairman
 - (j) Regulation Committee Chairman
 - (k) Minority Group Leaders
 - (l) Lead Members of Transitional Task Forces
 - (m) Members of Transitional Task Forces
 - (n) Luton and South Bedfordshire Joint Committee Chairman

Notes

In determining the positions for which a special responsibility allowance was considered appropriate by reason of significant additional responsibility the Panel wished it to be noted:

- (i) that an exception to the principle of paying only one special responsibility allowance to any Member be made in the case of the Deputy Leader of the Council and also any Member who may be appointed as Chairman of both the Licensing Committee and the Regulation Committee,
 - (ii) that whilst the Council remained undecided as to the number of Development Control Committees that should be established, the Panel felt that should there be two or more such Committees the responsibility of the Chairman of each would be at the same level as a Chairman appointed for a single Development Control Committee. As a result the allowance for each Chairman of a Development Control Committee, should there be two or more, should be at the level indicated in paragraph 14.7 of this report.
 - (iii) that the allowance for the Chairman of the Standards Committee was recommended in the knowledge that the Chairman must be an Independent Co-opted Member and that the allowance in paragraph 14.7 below should be paid to the Chairman of the Committee and not the allowance mentioned in paragraph 9.4 above.
 - (iv) that the allowances made available in the Scheme for the year commencing 1 April 2008, in respect of the Chairmen and Members of Transitional Task Forces, be retained within the Scheme of Allowances for the year commencing 1 April 2009, in case the work of those bodies should continue after that date.
 - (v) that where the Chairman of the Luton and South Bedfordshire Joint Committee was a representative of Central Bedfordshire Council, a special responsibility allowance should be paid in view of the significant responsibility of this post which it was also noted rotated annually between the two constituent authorities.
- 14.5 Having determined the posts for which it was considered there was significant additional responsibility the Panel considered how the allowance may best be calculated. It was decided that it would be appropriate to set the allowance for the Leader of the Council and then to set an allowance for each other post as a proportion of the Leader's allowance.
- 14.6 After careful consideration the Panel determined that the value of the allowance paid to the Leader of the Council should be set at three times the level of the basic allowance making an allowance of £29,700.

- 14.7 The allowances for the other posts considered appropriate for the payment of a special responsibility allowance were as set out below:

Position	Percentage of Leader's allowance	Value of Allowance
Leader of the Council		£29,700
Deputy Leader of the Council	15%	£4,455
Portfolio Holders	60%	£17,820
Overview and Scrutiny Committee Chairmen	40%	£11,880
Development Control Committee Chairman/Chairmen	40%	£11,880
Audit Committee Chairman	30%	£8,910
General Purposes Committee Chairman	15%	£4,455
Standards Committee Chairman	15%	£4,455
Licensing Committee Chairman	7.5%	£2,227.50
Regulation Committee Chairman	7.5%	£2,227.50
Luton and South Bedfordshire Joint Committee Chairman	40%	£11,880
Lead Members of Transitional Task Forces	Continuation of the allowance set for the period of transition	£3,655
Members of Transitional Task Forces	As above	£1,828
Minority Group Leaders	See Note below	

Note:

In respect of the Leaders of Minority Groups the Panel felt that for a Minority Group Leader to qualify for a special responsibility allowance, they must have at least 7 Members within their Group. The allowance would then be calculated on the basis of 0.5% of the Leader's allowance (£148) for each Member of the Group.

15 Access to the Local Government Pension Scheme

- 15.1 The Panel noted from the additional information that had been obtained from the 15 Unitary Councils within the Family Group, that all but four provided access for their Members to the Local Government Pension Scheme. Approximately one third of Members of the authorities had taken advantage of this opportunity. It was also noted that of the constituent authorities, Bedfordshire County Council had provided access for its Members to the Pension Scheme whilst the two District Councils had not.
- 15.2 It was noted that the anticipated rate for employers' contributions as from 1 April would be 21.9%.
- 15.3 The Panel considered the additional cost of employer contributions that would be required as a result of providing access for Members to the Local Government Pension Scheme but felt that it would be potentially discriminatory not to make this benefit available to those Members under the age of 70 years (statutory maximum age limit) who wished to become a "councillor member" of the Scheme.
- 15.4 The Panel recommended that all Councillors of Central Bedfordshire be given the opportunity, subject to meeting the statutory age criteria, and that both basic and special responsibility allowances be taken into account for pension purposes.

16 Civic Allowances

- 16.1 The Panel was advised that the payment of allowances to the Chairman and Vice-Chairman of the Council were not subject to the Members' Allowances Regulations and were set and paid as civic allowances, in accordance with sections 3(5) and 5(4) to the Local Government Act 1972. The purpose of the allowances was explained to the Panel which was requested to consider making a recommendation to the Council as to the level of these civic allowances for the year commencing 1 April 2009.

16.2 The level of the allowances paid by the constituent authorities for the year commencing 1 April 2008 was noted as:

Authority	Chairman's Civic Allowance	Vice- Chairman's Civic Allowance
Bedfordshire County	£13,811	£5,520
Mid Bedfordshire District	£5,520	£1,560
South Bedfordshire District	£8,565	£3,212

16.3 The Panel recommended that the level of the allowances be set by reference to the basic allowance paid to all Members and that the allowance for the Chairman be set at 100% of the basic allowance (£9,900) and that the allowance for the Vice-Chairman be set at 25% of the basic allowance (£2,475).

17 Overview

17.1 Having completed its considerations the Panel wished it to be noted that it had not attempted to calculate the total cost of implementing its recommendations. The Panel was aware that the budgetary implications of adopting the Scheme, as recommended, would be a matter for consideration by the Shadow Executive prior to the adoption of a Scheme being considered by the Shadow Council. The Panel felt that the Shadow Executive would wish to ensure the affordability of the Scheme, measure the cost against those of the Schemes currently adopted by the constituent authorities and finally ensure that the recommendations were in harmony with any information contained within the bid made to the Government to create the Unitary Authority.

17.2 The Panel also commented upon the difficulty of making its recommendations due to the lack of positive information as to the time commitment that will be required of the 66 Members of the new authority and to some degree the level of responsibility for each of the posts for which a special responsibility allowance had been recommended. For those reasons the Panel felt that information should be collected during the first year of operation of the new authority to enable a fundamental review of the Scheme to be carried out before recommendations are made for the year commencing 1 April 2010.

- 18 The Scheme as Recommended
- 18.1 A copy of the Scheme as now recommended by the Panel is attached as an Appendix to this report. (Note: not attached for the purposes of the Shadow Executive's meeting)
- 19 Amendment to the Scheme of Members' Allowances for the Year Ending 31 March 2009
- 19.1 The Panel was requested to consider making a recommendation to the Shadow Council to amend the Members' Allowances Scheme for the year ending 31 March 2009 to enable the payment of an allowance to those Members nominated by the Shadow Council to serve as observer members of the Bedfordshire Police Authority or the Bedfordshire and Luton Combined Fire Authority. Whilst both the Police and Fire Authorities had approved schemes of Members' Allowances, they would be unable to pay any allowances to observer members nominated by the successor authorities.
- 19.2 It was noted that the appointment of observer members to the Police Authority had been delayed as a result of the number of observer members that each of the successor authorities may appoint having been referred to the Home Secretary for determination. It was understood that observer members would not have voting rights for the period ending 1 April 2009, when Central Bedfordshire would come into being.
- 19.3 The Panel recommended that the Scheme of Members' Allowances for the Year Ending 31 March 2009 be amended to enable both a special responsibility allowance, and travelling and subsistence allowances to be paid to observer members appointed to either the Bedfordshire Police Authority or the Bedfordshire and Luton Combined Fire Authority.
- 19.4 In considering the value of the special responsibility allowance, the Panel recommended that this be at the rate set for the basic allowance for existing members of Bedfordshire Police Authority and Bedfordshire and Luton Combined Fire Authority and paid pro rata according to the number of days for which the appointment would be valid, subject to no additional payment being made where an existing Member of either the Bedfordshire Police Authority or the Bedfordshire and Luton Combined Fire Authority is appointed by the Shadow Council as an observer member.

19.5 The Panel noted that the basic allowances paid by Bedfordshire Police Authority and Bedfordshire and Luton Combined Fire Authority for the year ending 31 March 2009 were:

- | | |
|--|--------|
| (a) Bedfordshire Police Authority | £8,487 |
| (b) Bedfordshire and Luton Combined Fire Authority | £2,856 |